

## **SENATE CONCURRENT RESOLUTION NO. 14**

WHEREAS, gasoline, one of the main products refined from crude oil, accounts for approximately 17% of the energy consumed in the United States; and

WHEREAS, the cost to produce and deliver gasoline to consumers includes the cost of crude oil to refiners, refinery processing costs, marketing and distribution costs, and finally the retail station costs and taxes. The prices paid by consumers at the pump reflect these costs, as well as the profits of refiners, marketers, distributors, and retail station owners; and

WHEREAS, in 2003, the price of crude oil averaged \$28.50 per barrel, and crude oil accounted for about 44% of the cost of a gallon of regular grade gasoline. In 2005, the price of a barrel of crude oil soared to an all-time high of more than \$58 per barrel, resulting in the average price of gasoline rising to more than \$2 per gallon. Gasoline prices are predicted to exceed \$2.50 per gallon in the peak summer months and may reach an incredible \$3 per gallon; and

WHEREAS, while federal, state, and local taxes account for approximately 27% of the cost of a gallon of gasoline, refining costs and profits comprise about 15% of the retail price of gasoline, and distribution, marketing, and retail dealer costs and profits combined make up 14% of the cost of a gallon of gasoline, the primary component driving up the cost of gasoline prices in 2005 is the unprecedented price of crude oil; and

WHEREAS, events in the crude oil market have been a major factor in all of the recent rises in gasoline prices, including OPEC crude oil production cuts and turmoil in key oil producing countries; and

WHEREAS, in addition to the steep rise in crude oil prices, problems with petroleum infrastructure in the United States, such as refineries and pipelines, have contributed to the recent increased cost of gasoline. Refineries in the United States are operating at maximum capacity and are experiencing difficulty in keeping up with the demand for gasoline in this country; and

WHEREAS, in addition, some areas of the United States are required to use special oxygenated, reformulated, and low-volatility gasolines due to environmental programs aimed at reducing carbon monoxide, smog, and air toxins. Other environmental programs restrict the transportation and storage of gasoline; and

WHEREAS, with a number of states passing legislation to restrict the use of the gasoline

additive MTBE, large changes to gasoline production and distribution are required; and

WHEREAS, with the recent unprecedented rise in crude oil prices and the problems with the petroleum infrastructure in the United States, it is imperative that the United States explore a number of avenues to reduce our nation's demand on foreign oil and increase the supply of gasoline in this country:

NOW, THEREFORE, BE IT RESOLVED that the members of the Senate of the Ninety-third General Assembly, First Regular Session, the House of Representatives concurring therein, hereby urge the United States Congress to investigate the recent sharp rise in gasoline prices in the United States and explore ways to reduce the price of gasoline, including utilization of alternate fuels; and

BE IT FURTHER RESOLVED that the Secretary of the Missouri Senate be instructed to prepare properly inscribed copies of this resolution for each member of the Missouri Congressional Delegation.

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Resolution  
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